

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEBRASKA

IN RE:)	Case No: BK 10-
)	
SANITARY AND IMPROVEMENT)	CHAPTER 9
DISTRICT NO. 513 OF DOUGLAS)	PLAN OF ADJUSTMENT
COUNTY, NEBRASKA)	
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This Plan of Adjustment (“Plan”) is proposed and made by Sanitary and Improvement District No. 513 of Douglas County, Nebraska (“SID #513” or the “District”).

1. Warrant Holders. This class of creditors consists of all parties who presently own construction fund “warrants” identified on Schedule “1” and any interest warrants issued in payment for accrued interest thereon. There are no other creditors of SID #513 except those persons or entities performing services for the District and entitled to priority payment under 11 U.S.C. 503 et. seq. There are also general fund warrants used to pay the day to day maintenance requirements of the District which are not part of this class of creditors and who’s claims are not impaired. There are no other creditors of SID #513 except those persons or entities performing services for the District and entitled to priority payment under 11 U.S.C. 503 et. seq. Provided that said creditors of SID #513 release their claims against SID #513 as set forth herein, SID #513 will deliver funds of the District in the amount and in the manner as set forth in paragraphs 5, 6 and 7 below in full settlement of such creditor’s claims. The claims of members of this class of creditors are impaired under this Plan.

2. Execution of Plan of Adjustment. Upon confirmation of this Plan of Adjustment, SID #513 will execute and deliver to the disbursing agent appointed by the Court the funds described in paragraphs 5, 6 and 7 from time to time in the manner described therein.

3. Delivery of Warrants. This Plan requires the holders of the warrants set forth on Schedule “1” to deliver to SID #513 and/or the disbursing agent appointed by the Court, within a reasonable period of time after confirmation of the Plan, the described warrants (including interest warrants) for cancellation and exchange for Certificate of Indebtedness as provided in

paragraph 7 below. The Bankruptcy Court will be requested as part of the order confirming this Plan to require delivery of warrants as set forth herein. No payment shall be made by the disbursing agent to any creditor unless said disbursing agent has received the applicable warrant(s) and/or an affidavit of lost or stolen security and indemnification thereon and authenticated a Certificate of Indebtedness. Furthermore, in order to assure that said creditors cannot continue to hold their warrants with a view towards having them redeemed by the Treasurer of Douglas County, Nebraska, all such warrants not delivered to the disbursing agent within 90 days from the date of confirmation of this Plan shall be deemed cancelled and of no further force and effect and the Court shall be requested in its order confirming the Plan to restrain the Douglas County Treasurer from paying or redeeming such warrants.

4. Administrative Costs. The only administrative costs thus far have been for services and out of pocket expenses of the District's legal counsel, Fullenkamp Doyle & Jobeun. Said counsel has not received any payment on account of such services or out-of-pocket expenses. To date, legal services rendered based on the agreed upon rate of \$250/hour total \$25,000.00 and the out-of-pocket expenses are estimated to be approximately \$5,000.00. All such legal fees and expenses together with such additional administrative costs and expenses, including fees of Baird Holm LLP, as Bond Counsel as are incurred herein shall be paid from the District's construction/bond fund and shall be paid prior to any disbursements pursuant to paragraphs 5, 6 or 7 below. Administrative costs shall be paid directly by the Douglas County Treasurer from the bond fund cash of the District upon presentment by the District Counsel or other administrative entity entitled to payment and verified by the District's fiscal agent.

5. Initial Cash Disbursement. SID #513 shall, following the date of confirmation of this Plan by the Bankruptcy Court, deliver to the disbursing agent appointed by the Court all the cash and investments with accrued interest thereon on deposit in SID #513's construction/bond fund less a) the paragraph 3 administrative costs and any disbursing agent fees b) a transfer to the general (operating) fund of SID #513 of One Hundred Eighty Thousand (\$180,000) Dollars. The remaining funds shall be paid out to the holders of certificates of indebtedness as set forth in Paragraph 7 below as follows: the balance shall be distributed to the holders of Certificates of Indebtedness based upon their pro-rata share as shown on Schedule "1" and as may be adjusted in accordance with the return of warrants to the disbursing agent and any cancellation of warrants thereon. The initial distribution to the holders of the Certificates of Indebtedness will

not occur until the earlier of either the return of all of the warrants to the disbursing agent or the end of the warrant return period as set forth in Paragraph 2 and 6 of this Plan.

6. Cancellation of Developer Warrants and Assignment of Reimbursables. Gottsch Enterprises, LLC shall relinquish all of its right title and interest in and to those warrants which it presently owns totaling \$318,507.87; those warrants shall be cancelled immediately and be of no further force and effect. The District shall assign to Gottsch Enterprises, LLC its reimbursables for the District's outfall sanitary sewer system and 204th Street improvements. Based upon the future development in the area, the District is entitled to receive the pro-rata cost share to build those improvements which it built but which would also be necessary for the development of adjacent property. Those reimbursables total approximately \$318,507.87. However, repayment of those reimbursables is speculative and not certain to occur.

7. Warrants and Issuance of Certificates of Indebtedness. All warrants delivered to the disbursing agent shall be cancelled upon the authentication of a Certificate of Indebtedness for such warrant. Each warrant holder will be given a Certificate of Indebtedness from the disbursing agent evidencing their pro-rata share of these paragraph 7 payments to be made by the District in accordance with this Plan. The first payment under the Certificate of Indebtedness will be the initial disbursement as set forth in paragraph 5 above. Each Certificate of Indebtedness shall not accrue any interest. **All payments made pursuant to this Plan shall first be applied to payment of principal.** No new interest warrants shall be issued as evidence of or on account thereof and such warrants shall not be deemed to be in default. The disbursing agent shall also keep a record for each certificate of indebtedness of simple interest at seven (7 %) percent calculated on the outstanding principal balance, which interest shall be calculated annually upon the balancing of SID #513's books and such interest is contingent and not certain to be paid. This interest shall be referred to as the "clawback interest". SID #513 and/or the disbursing agent shall thereafter, subject to the prior limitations and cancellation provision set forth herein, no later than March 15 of each year deliver to each warrant holder his/her/its pro-rata share of any funds on deposit with the Douglas County Treasurer in SID #513's construction/bond fund except any bond sinking fund requirements of paragraph 7(c) below from

- (a) The collection of any and all special assessments levied by SID #513 against properties located within its corporate boundaries together with any

miscellaneous revenues, which by law, custom or usage are deposited in a sanitary and improvement district construction/bond funds, except those reimbursables assigned pursuant to paragraph 6 herein.

(b) Any ad valorem real estate taxes collected from a construction/bond fund levy of \$0.65 for taxes that become delinquent in 2011 and annually thereafter. In no event shall the construction/bond fund levy together with a general fund levy of \$0.25 exceed by more than ten (10%) percent the average total tax levy of the fifty highest tax levies of sanitary and improvement districts located in Douglas County, Nebraska. Under no circumstances during the execution of this Plan shall the construction bond/bond fund levy be lower than \$0.65.

(c) The net proceeds from the issuance by SID #513 of bonds, which shall be mandatorily issued and sold by SID #513 at such times and in an amount which can be issued and sold on a level payment basis over a period of twenty (20) years, reserving a bond sinking fund equal to one-year's principal and interest requirement and amortized using the proceeds of an ad valorem tax levy in the amount as set forth in subparagraph (b) above on the then current SID #513's tax base is sufficient to fund such bonds on a year to year basis. Such bonds shall only be issued at the earlier time of when: a) the proceeds of such bonds is sufficient to retire all the outstanding principal and clawback interest on the Certificates of Indebtedness; b) at such time as SID #513 reaches full valuation which is defined as a taxable valuation by the Douglas County Assessor of \$32,625,000.00. In the event bonds can not be issued to retire all the principal and any clawback interest outstanding on the Certificates of Indebtedness, bonds shall be issued on or before December 31, 2027 for the maximum amount which can be issued on a level payment basis over a period of twenty (20) years, reserving a bond sinking fund equal to one-year's principal and interest requirement, the amortized proceeds of which together with an ad valorem tax levy in the amount as set forth in subparagraph (b) above on the then current SID # 513's tax base to pay the principal and interest on such bonds on a year to year

basis.

AT THE EARLIER OF THE DATE THE NET PROCEEDS FROM PARAGRAPHS 7(A) THROUGH (C) SHALL BE SUFFICIENT TO PAY ALL THE CERTIFICATES OF INDEBTEDNESS IN ACCORDANCE WITH THIS PARAGRAPH 7 OR DECEMBER 31, 2027 ALL CERTIFICATES OF INDEBTEDNESS AND/OR CLAWBACK INTEREST SHALL BE CANCELLED AND NO FURTHER PAYMENTS ON ACCOUNT THEREOF WILL BE MADE.

During any year-end, except the year 2027, in which the amounts to be disbursed pursuant to this Plan do not exceed \$100,000 then such funds shall be invested at the discretion of the Douglas County Treasurer, ex officio treasurer for SID #513, and disbursed at the next payment date at which the amounts on hand exceed \$100,000.

The disbursing agent shall provide each certificate of indebtedness holder an accounting for each disbursement made. The disbursing agent shall be entitled to fair and reasonable compensation for acting as the disbursing agent which amount, when approved by the Board of Trustees of SID #513, may be paid for from the construction/bond fund of SID #513. SID #513 proposes to use Bankers Trust Company, NA, 10250 Regency Circle, Suite 115; Omaha, Nebraska 68114.

Bonds, Certificate's of Indebtedness or any other form of security which will be offered and sold by means of and in accordance with the Plan of Adjustment pursuant to and for the purposes of 11 U.S.C. Section 1125(e). SID #513; Kuehl Capital Corporation; Baird Holm LLP, bond counsel; Fullenkamp Doyle & Jobeun, counsel for SID #513; Lengeman & Associates, P.C., its auditor; and SID #513's Board of Trustees have all acted in good faith and in compliance with the applicable provisions of the Bankruptcy Code and are entitled to protection of 11 U.S.C. Section 1125(e).

8. Confirmation. It is anticipated that this Plan shall be confirmed by the United States Bankruptcy Court for the District of Nebraska and therefore be binding on you in the event that it is accepted by more than 50% of the number of creditors holding more than 66.67% of the outstanding voting dollar debt.

Dated: July 29, 2011

SANITARY AND IMPROVEMENT
DISTRICT NO. 513 OF DOUGLAS
COUNTY, NEBRASKA,

By: /s/Brian C. Doyle
Brian C. Doyle (#23001)
Fullenkamp, Doyle & Jobeun
11440 West Center Road
Omaha, Nebraska 68144
(402) 334-0700
Fax: (402)-334-0815
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Attorney for said Debtor

SCHEDULE 1
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Name	Name2	Add1	City	State	Zip	Amount	PP 6 CANECLLATI NET AMOUNT	PRO RATA SHARE
A.G. EDWARDS & SONS, INC. C/O WELLS FARGO	ATTN: DEBBIE REYNOLDS - MAILCODE	2801 MARKET ST.	ST. LOUIS	MO	63103	\$ 456,687.41	\$ 456,687.41	9.579%
Dale L Zadina ttee	Dale L Zadina Trust U/A	47832 Mill Road	ORD	NE	68862	\$ 45,796.00	\$ 45,796.00	0.961%
FIRST CLEARING LLC C/O WELLS FARGO ADVIS	ATTN: DEBBIE REYNOLDS - MAILCODE	2801 MARKET ST.	ST. LOUIS	MO	63103	\$ 389,583.87	\$ 389,583.87	8.172%
PERSHING LLC	ATTN: BOND REMPTIONS - PHIL WEST	300 COLONIAL CENTER Pkwy - 4th FLOOR	LAKE MARY	FL	32746	\$ 22,898.00	\$ 22,898.00	0.480%
JEAN BUTTERFIELD		9 LOST SPIKE Ct	CAMDENTON	MO	65020-4096	\$ 34,347.00	\$ 34,347.00	0.720%
JOSEFINA L. DURIN TTEE	JOSEFINA L. DURIN REVOCABLE INTER	3600 HONEYHILL Dr. SE	CEDAR RAPIDS	IA	52403-1920	\$ 20,068.75	\$ 20,068.75	0.421%
ELAINE GLAZIER & JOHN MONTICONE TTEES	YOUVILLEHOUSE	1573 CAMBRIDGE St.; APT 306	CAMBRIDGE	MA	02138-4379	\$ 10,438.86	\$ 10,438.86	0.219%
JARED S. HILLS TTEE	JARED S. HILLS REVOC TRUST	2008 BALSAM DR. SW	CEDAR RAPIDS	IA	52404-2536	\$ 49,057.63	\$ 49,057.63	1.029%
MARILYN Y MAGID TTEE	MARILYN Y MAGID REVOC TRUST	1 RESEARCH CENTER	MARION	IA	52302	\$ 121,225.24	\$ 121,225.24	2.543%
ALEX A. MEYER TTEE	ALEX A. MEYER REV TRUST	PO BOX 67	MIDDLE AMANA	IA	52307-0067	\$ 22,898.00	\$ 22,898.00	0.480%
THOMAS D. & JANICE K. SCHLESSELMAN	JT TEN WROS	741 SEMINOLE DR	FREEPORT	IL	61032-7131	\$ 11,984.82	\$ 11,984.82	0.251%
BONNIE K. SCHMIDT		3575 COTTAGE GROVE AVE. SE	CEDAR RAPIDS	IA	52403-1650	\$ 22,898.00	\$ 22,898.00	0.480%
TD AMERITRAD FBO KNAPP FAMILY TRUST	ATTN: CAGE	1005 N AMERITRADE PLACE	BELLEVUE	NE	68005	\$ 80,143.00	\$ 80,143.00	1.681%
WELLS FARGO BANK N.A. FBO	LAWRENCE D & MARY T. FELD HACKER	PO BOX 1450 WF9919	MINNEAPOLIS	MN	55485-9919	\$ 22,898.00	\$ 22,898.00	0.480%
ROBERT M. URWILLER		16151 EAGLE RIDGE DRIVE	SURPRISE	AZ	85374	\$ 53,783.79	\$ 53,783.79	1.128%
WILLIAM R. HENGSTLER		PO BOX 105	CREIGHTON	NE	68729	\$ 57,245.00	\$ 57,245.00	1.201%
BRETT GOTTSCH CUST		20507 NICHOLAS CIR; SUITE 100	ELKHORN	NE	68022	\$ 80,750.68	\$ 80,750.68	1.694%
BRETT GOTTSCH CUST		20507 NICHOLAS CIR; SUITE 100	ELKHORN	NE	68022	\$ 71,454.25	\$ 71,454.25	1.499%
BRETT & STACY GOTTSCH		20507 NICHOLAS CIR; SUITE 100	ELKHORN	NE	68022	\$ 329,981.30	\$ 329,981.30	6.922%
WILLIAM GOTTSCH		20507 NICHOLAS CIR; SUITE 100	ELKHORN	NE	68022	\$ 320,572.00	\$ 320,572.00	6.724%
WILLIAM L. GOTTSCH CUST		20507 NICHOLAS CIR; SUITE 100	ELKHORN	NE	68022	\$ 22,898.00	\$ 22,898.00	0.480%
WILLIAM L. GOTTSCH CUST		20507 NICHOLAS CIR; SUITE 100	ELKHORN	NE	68022	\$ 22,898.00	\$ 22,898.00	0.480%
WILLIAM L. GOTTSCH CUST		20507 NICHOLAS CIR; SUITE 100	ELKHORN	NE	68022	\$ 45,796.00	\$ 45,796.00	0.961%
LOIS GOTTSCH		20507 NICHOLAS CIR; SUITE 100	ELKHORN	NE	68022	\$ 80,143.00	\$ 80,143.00	1.681%
GOTTSCH ENTERPRISES		20507 NICHOLAS CIR; SUITE 100	ELKHORN	NE	68022	\$ 668,194.31	\$ 318,507.87	7.335%
HAROLD & SHIRLEY BUTTON		835 SO. 11TH ST.	ADEL	IA	50003	\$ 5,734.37	\$ 5,734.37	0.120%
MICHAEL M. ERMAN		8748 FREDERICK ST.	OMAHA	NE	68124	\$ 52,368.19	\$ 52,368.19	1.098%
DOUGLAS & MICHELLE GREWCOCK		16334 HASCALL ST.	OMAHA	NE	68130	\$ 65,383.76	\$ 65,383.76	1.371%
BRUCE GREWCOCK		13421 HAMILTON ST	OMAHA	NE	68154	\$ 57,245.00	\$ 57,245.00	1.201%
WILLIAM L. GREWCOCK		2123 MULLEN ROAD	OMAHA	NE	68124	\$ 167,231.33	\$ 167,231.33	3.508%
SECURITY NATIONAL BANK	ATTN: LISA SALCEDO	PO BOX 31400	OMAHA	NE	68131	\$ 78,643.28	\$ 78,643.28	1.650%
A. ROBERT THOMAS		2940 S. 101ST ST.	OMAHA	NE	68124	\$ 57,017.62	\$ 57,017.62	1.196%
ILLO & MERILYN MITCHEM		517 S. POPLAR	NORTH PLATTE	NE	69101	\$ 5,999.33	\$ 5,999.33	0.126%
ALFRED SWANSON		1501 S. 1ST ST	NORTH PLATTE	NE	69101	\$ 11,449.00	\$ 11,449.00	0.240%
ANITA SWANSON		1501 S. 1ST ST	NORTH PLATTE	NE	69101	\$ 34,347.00	\$ 34,347.00	0.720%
DENNIS & GAYLENE LOMBARDI		517 S. POPLAR	NORTH PLATTE	NE	69101	\$ 34,347.00	\$ 34,347.00	0.720%
ROBERT L. GOTTSCH		PO BOX 1128	HASTINGS	NE	68902	\$ 320,572.00	\$ 320,572.00	6.724%
BPU PARTNERSHIP		15728 L ST	OMAHA	NE	68135	\$ 57,245.00	\$ 57,245.00	1.201%
REYNOLD & KATHRYN HOCHSTEIN		28407 W. MAPLE ROAD	WATERLOO	NE	68069	\$ 380,895.95	\$ 380,895.95	7.989%
ROBERT & FRANCES GRABBERT		713 N. 75th ST	OMAHA	NE	68114	\$ 45,796.00	\$ 45,796.00	0.961%
RITA A. LORENZ		12215 N. 60TH ST	OMAHA	NE	68152	\$ 11,449.00	\$ 11,449.00	0.240%
CENSTAT FINANCIAL INC.	ATTN: JAMIE AMODEO	PO BOX 34350	OMAHA	NE	68134	\$ 114,490.00	\$ 114,490.00	2.401%
RALPH F. WOODDARD		16904 O CIR.	OMAHA	NE	68135	\$ 11,449.00	\$ 11,449.00	0.240%
MASTER FARMS LLC		80152 NINE MILE AVE.	ARCADIA	NE	68815	\$ 34,347.00	\$ 34,347.00	0.720%
LYLE & AUDRA HANSEN		4512 E. 42nd ST; 208	SIOUX FALLS	SD	57110	\$ 150,844.30	\$ 150,844.30	3.164%
FIRSTIER BANK	ATTN: JODY	PO BOX 730	KIMBALL	NE	69145	\$ 171,735.00	\$ 171,735.00	3.602%
VAN & DEBRA NERLAND		38546 128TH ST	ABERDEEN	SD	57401	\$ 23,308.82	\$ 23,308.82	0.489%
DELPHIN SOMMERHALDER		1301 BYRON NELSON PKWY	SOUTH LAKE	TX	76092	\$ 34,347.00	\$ 34,347.00	0.720%
PEARLE GERDES TRUST		1724 P ST.	AUBURN	NE	68308	\$ 34,347.00	\$ 34,347.00	0.720%
HARRY PICKREL JR.		1304 ROAD 24	BENEDICT	NE	68316	\$ 49,302.95	\$ 49,302.95	1.034%
DAVID C. MYERS		12104 MADELEINE CIR	DALLAS	TX	75230	\$ 11,449.00	\$ 11,449.00	0.240%
TOTAL						\$ 5,085,984.81	\$ 4,767,476.94	100.000%